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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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File #4  
PRO/007/033

Internal  
0070033  
OK

March 10, 1989

TO: Richard V. Smith, Acting Permit Supervisor

FROM: Pamela Grubaugh-Littig, Reclamation Engineer *pgf*

RE: Request for Legal Opinion, Collateral Bond - Exhibit "B", Andalex Resources, Inc., Wildcat Loadout Facility, PRO/007/033, Folder #4, Carbon County, Utah

The Division received the bonding package for the Wildcat Loadout Facility on March 6, 1989. One question arose regarding the collateral bond, Exhibit "B". Pittsburg National Bank contends that the Irrevocable Letter of Credit and Exhibit "B" can separately be used as instruments by the Division and, therefore, there is a double liability.

The collateral bonding agreement submitted was not signed by Pittsburg National Bank. I told Mr. Mike Beyer at Pittsburg National Bank and Mr. Mike Glasson at Andalex Resources, Inc., that I would seek a legal opinion from the Attorney General's Office. Upon receipt of that opinion, they would need to take the necessary action.

A legal opinion is requested regarding this issue.

djh  
AT4/27